

6. **Application or Application Package** means those forms and instructions prepared by DHCD to make a determination to allocate Tax Credits. Developers are required to use the forms contained in the Application Package. The Application must include all information required by the QAP and as may be subsequently required by DHCD.
7. **Area Median Gross Income (AMGI)** means the most current tenant income requirements published by HUD pursuant to the qualified Low-Income Housing Project requirements of IRC Section 42(g).
8. **Builder General Requirements** means items, which will vary due to Project type, location and site conditions. This category generally includes but is not limited to supervision, job site engineering, job office expenses including clerical wages, whether on site or off site, (if for the Project,) temporary buildings, tool sheds, shops and toilets, temporary heat, water, light and power for construction, temporary walkways, fences, roads, siding and docking facilities, sidewalk and street rental, construction equipment rental (not in individual trade item costs,) clean-up and disposal of construction debris, medical and first aid supplies and temporary facilities, watchman's wages, security cost and theft and vandalism insurance signage or other barriers.
9. **Builder Overhead** means the cost of continuing operations of a building construction firm.
10. **Builder Profit** means the return anticipated for providing building consideration on-site construction time, work performed by the builder, number of subcontractors and extent of subcontract work and risk and responsibility.
11. **Carryover Agreement and Allocation and Ownership Entity's election statement** means an allocation of current year Tax Credit Reservations by DHCD pursuant to IRC Section 42(h)(1)(E) and Treasury Regulations § 1.42-6 and the Carryover Agreement and Carryover Application filed by an Owner Entity.
12. **Code or IRC** means the Internal Revenue Code of 1986 as amended together with any applicable regulations, rules, rulings, revenue procedures, information statements or other official pronouncements issued there under by the United States Department of the Treasury or the Internal Revenue Service relating to the **Low-Income Housing Tax Credit Program authorized by IRC Section 42. These documents are incorporated in the QAP by reference. A copy of the Internal Revenue Code and Treasury regulations and related information relating to this program are found in the District of Columbia Public Library and are available for review by the public.**
13. **Compliance Period**, as defined in IRC Section 42(i)(1) as amended to January 1, 1986, means, with respect to any building, the period of 15 consecutive taxable years beginning with the first taxable year of the Tax Credit Period unless extended by the Owner Entity to a longer period of time.
14. **Consultant fee** means a fee paid to a housing consultant. No entity having an identity of

interest with the **Developer** may earn a fee for providing services that would otherwise be provided on a fee basis by housing consultant. Consultant efforts must be directed exclusively towards serving the specific Project being proposed.

15. **Control** (including the terms Controlling, Controlled by, under common Control with, or some variation or combination of all three) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any Person or Affiliate thereof, whether through the ownership of voting securities, by contract or otherwise, including specifically ownership of more than 50 percent of the general partner interest in a limited partnership, or designation as a managing general partner or the managing member of a limited liability company.
16. **Debt Service Coverage Ratio** means the ratio of a property's net operating income (rental income less operating expenses and reserve payments) to foreclosable, currently amortizing debt service obligations.
17. **Developer** is the party acting as agent for the eventual owner or taxpayer benefiting from an award of a Tax Credit Reservation.
 - a. The Developer and any of its successors in interest will be bound by the representations made in the Application. Further, the Developer or its successors shall be obligated to carry out the commitments made to DHCD by the Sponsor on its own behalf or on behalf of other Persons or Affiliates.
 - b. Developer's Equity means Developer's contributions of cash and land, but does not include Developer's Fee or Syndication proceeds. Developer's Equity will only be considered if the equity remains in the Project throughout the Compliance Period and not taken out from surplus cash flow, cash flow notes, mortgages, or any other method.
18. **Difficult Development Area** means any area that is so designated by the Secretary of HUD as an area that has high construction, land, and utility costs relative to area median family income.
19. **Eligible Basis** means, with respect to a building within a Project, the building's Eligible Basis at the close of the first taxable year of the Tax Credit Period and as further defined in IRC Section 42(d).
20. **Eligible Basis** shall not include garages, storage units, or other amenities where the Ownership Entity is charging tenants for the use of the garage or storage unit or other amenities, except when the garage or storage units or other amenities are part of normal rent for all of the units in the Project.
 - a. If a grant is made with respect to any building or its operation during any taxable year of the Compliance Period and any portion of such grant is funded with Federal funds, the Eligible Basis of the building for that taxable year and all succeeding

taxable years must be reduced by the portion of the grant.

21. **Eligible Basis for Rehabilitation Project** includes the definition of Eligible Basis with the adjustments described in this Section. No Tax Credit is available for acquisition of an existing building unless:
 - a. The building is acquired by purchase;
 - b. Subject to limited exceptions, at least ten years has elapsed since the building was last placed in service or if more recent the date of certain improvements costing at least 25% of the Ownership Entity's adjusted basis in the building;
 - c. The building was not previously placed in service by a related person to the current Ownership Entity. For the purposes of this paragraph "related person" shall have the same meaning as Section 42(d) (2) (D) (iii); and
 - d. The used building is rehabilitated in a manner, which is eligible for Tax Credit.
22. **Enterprise Community** is as defined by HUD.
23. **Evaluator** means members of DHCD Staff, temporary staff hired to evaluate the Tax Credit Applications, or staff from other District of Columbia agencies.
24. **Forward Funding** shall have the same meaning as described in IRC Section 42(b)(2)(A)(ii)(I) and 42(h)(1)(C).
25. **Frail Older Person** means an Older Person requiring assistance with three or more activities of daily living. Also, see **Tenants with Special Housing Needs** in this Glossary.
26. **Housing Projects for Older Persons** shall have the same meaning as described in 42 U.S.C. Section 3607(b)(2).
27. **Hard Construction Costs** mean the following items: Site improvements or work, New construction, Accessory buildings, Garages, General Requirements, Trade Items (Building materials), Construction contingency, Builder's overhead, Builder's Profit, Bond Premium, Other Fees, Architect's and Engineering Fees—Design, Architect's and Engineering Fees—Supervisory, Rehabilitation.
28. **Housing Credit Agency** means District of Columbia Department of Housing and Community Development ("DHCD"). Pursuant to Mayor's Order 87-72, DHCD is charged with the responsibility of allocating Tax Credits pursuant to IRC Section 42(h)(8)(A).
29. **HUD** means the United States Department of Housing and Urban Development, or its successor.